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Jeffrey M. Nelson
Chief Legal Officer

January 29, 2019

VIA ELECTRONIC FILING

Jocelyn G. Boyd, Esquire
Chief Clerk & Administrator
Public Service Commission of South Carolina
101 Executive Center Drive, Suite 100
Columbia, South Carolina 29210

RE: Petition of Duke Energy Progress, Incorporated for an Accounting Order to Defer Incremental Storm Damage Expenses from Hurricane Florence and Hurricane Michael, and to Continue Previously Authorized Storm Deferrals
Docket No. 2019-26-E

Dear Ms. Boyd:

By this letter, the South Carolina Office of Regulatory Staff ("ORS") hereby notifies the Public Service Commission of South Carolina ("Commission") that ORS has reviewed and has no objection to the filing submitted by Duke Energy Progress, LLC ("DEP" or "Company") requesting the Public Service Commission of South Carolina ("Commission") for an accounting order to defer the incremental storm damage expenses from Hurricane Florence and Hurricane Michael, and to continue previously authorized storm deferrals ("Petition").

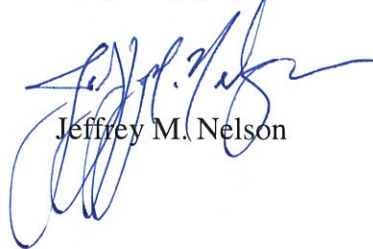
As a result of Hurricane Florence and Hurricane Michael, the Company incurred approximately \$70 million and \$2 million in incremental operating and maintenance expense to repair and restore its South Carolina system, respectively. In addition, the Company made capital investments of approximately \$13 million for Hurricane Florence and \$1 million for Hurricane Michael in the restoration efforts. DEP also petitions the Commission for an extension of the deferrals associated with the 2014 Ice Event, Winter Storm Pax and Hurricane Matthew as previously approved by Order No. 2015-62 and Order No. 2017-52.

The Company requests the extension of those deferrals as ordered so that the Company may explore alternative options for recovery of the deferred balances. If the Company is unable to secure a suitable, alternative recovery mechanism that results in customer savings, then the Company will seek recovery through more traditional mechanisms in a future rate case for all deferred costs described in this Petition.

The Company's request will not involve a change to any retail rates or prices at this time or require any change in any Commission rule, regulation, or policy. ORS's position is predicated on the basis that the issuance of an accounting order in this matter will not preclude the ORS, Commission, or any other party, from addressing the reasonableness of these costs including the carrying costs in a subsequent general rate case or other proceeding.

If you have any questions, please do not hesitate to contact me.

Very truly yours,

A handwritten signature in blue ink, appearing to read 'Jeffrey M. Nelson', is written over the typed name.

Jeffrey M. Nelson

cc: Joseph Melchers, Esquire (via E-mail)
All Parties of Record (via E-mail)